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New York

President:	Mr. Denisov	(Russian Federation)
Members:	Algeria	Mr. Baali
	Angola	Mr. Lucas
	Benin	Mr. Zinsou
	Brazil	Mr. Valle
	Chile	Mr. Muñoz
	China	Mr. Zhang Yishan
	France	Mr. Duclos
	Germany	Mr. Trautwein
	Pakistan	Mr. Akram
	Philippines	Mr. Baja
	Romania	Mr. Dumitru
	Spain	Mr. Yáñez-Barnuevo
	United Kingdom of Great Britain and Northern Ireland	Mr. King
	United States of America	Mr. Holliday

Agenda

The situation in Timor-Leste

Progress report of the Secretary-General on the United Nations Mission of Support in East Timor (S/2004/669)

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04-46742 (E)

The meeting was called to order at 10.15 a.m.

Adoption of the agenda

The agenda was adopted.

The situation in Timor-Leste

Progress report of the Secretary-General on the United Nations Mission of Support in East Timor (S/2004/669)

The President (*spoke in Russian*): I should like to inform the Council that I have received letters from the representatives of Australia, Indonesia, Japan, Malaysia, the Netherlands, New Zealand, Portugal and Timor-Leste, in which they request to be invited to participate in the discussion of the item on the Council's agenda. In conformity with the usual practice, I propose, with the consent of the Council, to invite those representatives to participate in the discussion without the right to vote, in accordance with the relevant provisions of the Charter and rule 37 of the Council's provisional rules of procedure.

There being no objection, it is so decided.

At the invitation of the President, Mr. Guterres (Timor-Leste) took a seat at the Council table; the representatives of the other aforementioned countries took the seats reserved for them at the side of the Council Chamber.

The President (*spoke in Russian*): In accordance with the understanding reached in the Council's prior consultations, and in the absence of objection, I shall take it that the Security Council agrees to extend an invitation under rule 39 of its provisional rules of procedure to Mr. Hédi Annabi, Assistant Secretary-General for Peacekeeping Operations.

There being no objection, it is so decided.

I invite Mr. Annabi to take a seat at the Council table.

The Security Council will now begin its consideration of the item on its agenda. The Council is meeting in accordance with the understanding reached in its prior consultations.

Members of the Council have before them document S/2004/669, which contains the progress report of the Secretary-General on the United Nations Mission of Support in East Timor.

At this meeting, the Security Council will hear a briefing by Mr. Hédi Annabi, Assistant Secretary-General for Peacekeeping Operations. I now give him the floor.

Mr. Annabi: I am pleased to introduce to the Security Council the first progress report of the Secretary-General on the United Nations Mission of Support in East Timor (UNMISET) (S/2004/669) since the extension of UNMISET's mandate for a consolidation phase on 20 May this year. UNMISET has now been downsized following the modification of its mandate, and the Government of Timor-Leste has assumed responsibilities for external and internal security since 20 May. I am happy to report that, except for a few minor incidents, the situation in Timor-Leste remained stable and largely peaceful during the reporting period.

The demonstration that took place on 19 and 20 July raised some concern. While the reconciliatory initiatives taken by President Kay Rala Xanana Gusmão and Prime Minister Mari Alkatiri immediately following the incident have helped to defuse the situation, it is symptomatic of the underlying tensions in Timorese society. Veterans, along with former combatants, are among the groups that feel marginalized and neglected. Remedial measures should be taken to address those concerns.This was also the conclusion of the day-long national dialogue on unity, peace and development organized by President Xanana Gusmão's Office last Saturday, 21 August, with the encouragement of the Special Representative of the Secretary-General, Mr. Sukehiro Hasegawa, and with support from UNMISET and the United Nations Development Programme (UNDP).

Progress is being made towards formulating a policy on veterans. The National Parliament is currently considering the report of the President's commissions on veterans and ex-combatants. It is essential that legislation on this matter be expedited and action taken to implement both short-term measures and long-term projects to address their needs for respect and recognition as well as other grievances. Bilateral and multilateral assistance will be required to implement concrete projects to address the most deserving and the most needy cases, including those who participated in the independence struggle from the outset as well as their widows and orphans. The Special Representative of the Secretary-General has urged all parties, including Timorese institutions of

State sovereignty and civil society groups, such as the associations of veterans and former combatants, to reach a consensus and present concrete projects to the development partners at the earliest possible juncture. UNMISET will maintain regular and close contact with all concerned to facilitate their efforts.

The recent resurgence of fights between martial arts groups is worrisome, even though there does not seem to be any evidence of political motivations behind these incidents. Four serious incidents have taken place in the last ten days, from Viqueque and Baucau in the eastern part of the country to Ainaro and Ermera in the west of the country. UNMISET has urged the Government to develop a legal framework for the activities of those groups and channel their energies into more constructive endeavours. However, socio-economic development and the creation of employment opportunities will remain essential to tackle the root causes of those problems.

Those events have also underlined the continued need for the promotion of a culture of political dialogue. It is heartening that the Government has resumed its Open Governance Programme, which had been suspended since the beginning of the year. The national dialogue, held on 21 August, was also a good example of the commitment of the people of Timor-Leste and their leaders to a culture of broad-based, participatory decision-making seeking to resolve all issues through discussion, compromise and consensus.

With regard to the function of the democratic process, the smooth conduct of the registration of voters for Timor-Leste's first elections since independence is also an encouraging development. Some 400,000 people have registered for elections of village chiefs and village-level bodies. We also commend the Government for taking steps towards establishing the legal and institutional frameworks for important Government institutions through the adoption of key legislation.

The law to establish the Office of the Provedor for Human Rights and Justice, provided for under the Constitution, was promulgated in May. However, the appointment of the Provedor by the National Parliament has been delayed since none of the three candidates who came forward could obtain the required majority in the two rounds of balloting held on 16 and 17 August. The process has now been reopened for nominations, and it is hoped that the National Parliament will be able to select a candidate after it reconvenes from recess on 15 September. The timely establishment of the Office of the Provedor would enable UNMISET to assist its development during the remaining months of the Mission's mandate.

While Timor-Leste is making steady progress towards achieving self-sufficiency, it will continue for some time to require international assistance — both financial and human resources — to implement the legislation it has adopted and to enhance the effectiveness of key institutions of State and Government. The flow of revenues from energy resources will be a key factor. In that context, reports of the agreement at the recent meeting between Foreign Minister Ramos-Horta and the Foreign Minister of Australia, Mr. Alexander Downer, on a framework for negotiations are encouraging.

Since the Secretary-General's last report to the Security Council, progress has been made on the finalization of the land border between Timor-Leste and Indonesia. Agreement on 90 per cent of the border has largely been achieved, and it is expected that agreement will be reached at the political level on the remaining 10 per cent in the coming weeks, as indicated by Foreign Minister Mr. Ramos-Horta and Indonesian Foreign Minister Mr. Wirayuda following their recent meeting on 15 August. We hope that this process can be completed expeditiously.

I would like now to refer to the progress made in the three programme areas of UNMISET's mandate. With regard to the 58 civilian advisers to be provided for the most critical positions in public administration, UNMISET has now completed the recruitment process with the participation of the Government. Thus far, 51 of those 58 advisers have been deployed in the field, an additional four advisers will be deployed next month, and a decision by the Government on the three remaining positions is awaited.

As for the 102 critical posts — as they are referred to — that are to be funded bilaterally, regrettably, resources have been received for only half of that number. Support from the international community for those positions will therefore be crucial. On the whole, the public administration still lacks experienced and skilled personnel, in particular mid-level managers to perform substantive and supervisory functions. This also impedes the delegation of authority to appropriate levels and the decentralization of public

services. It is incumbent on the Government to recruit the counterparts of the advisers as expeditiously as possible if they are to benefit from the advisers' expertise and skills in the remaining months of UNMISET's mandate.

The civilian advisers have been informed of the importance of preparing and implementing exit strategies. They will focus on institutional capacity development through well-targeted, formalized training programmes. Fostering a culture of transparency, accountability and respect for human rights will be among their tasks.

The justice sector continues to be affected by a shortage of qualified personnel and limited infrastructure, which has contributed in turn to a continued backlog of cases, detentions on expired warrants and violations of human rights. Nevertheless, progress has been achieved. The number of detainees held on expired warrants has been considerably reduced after a judicial review by the President of the Court of Appeal following a formal request from the Special Representative.

UNMISET is also providing 15 advisers out of the 58 most critical positions in the justice sector, including judges for the district courts. It is hoped that with their assistance and the contributions of bilateral donors and other agencies, such as the UNDP, the system can be made more functional.

The serious crimes process in Dili has made progress in prosecuting perpetrators of serious crimes committed in 1999. However, many of the indicted persons are still outside Timor-Leste and have not been brought to justice. As reflected in the last report of the Secretary-General, the serious crimes process may not be able to fully respond to the desires for justice of those affected by the violence in 1999 within the limited time frame and resources that remain available. We look forward to continuing our discussion with the Security Council on the way forward for dealing with this issue before the completion of UNMISET's mandate in May 2005.

The UNMISET police component has continued to assist the national police service, the Policia Nacional de Timor-Leste (PNTL), to develop into a professional and impartial police service through mentoring and monitoring, while seeking to coordinate UNMISET's efforts with other bilateral and multilateral assistance programmes. The police component has prepared a skills development plan for the PNTL based on a needs assessment of areas in which continued assistance is required. The focus is on training the trainers. The PNTL has assumed all operational policing responsibilities since 20 May. The response of PNTL to the recent violence between martial arts groups in four different parts of the country has been largely adequate.

However, the PNTL continues to cope with problems such as insufficient professional skills and misconduct. Although corrective measures have been taken, more needs to be done. At UNMISET's suggestion, the Government has established a high-level body of ministers to examine the allegations related to abuses and violations of human rights of demonstrators and bystanders in Dili on 20 July. Swift and exemplary action after due process and diligent investigation of complaints would strengthen the morale and image of the PNTL.

Meanwhile, the response of the anti-riot rapid intervention unit to the 19 and 20 July demonstrations in Dili also suggested the importance of further training for this particular unit. After the incident, Prime Minister Alkatiri formally requested the Special Representative to ensure that further instruction is offered to the PNTL, particularly in the areas of leadership and command and control, with a view to redressing the deficiencies identified on that occasion.

Human rights training will constitute an integral part of this process. The training began on 9 August with the involvement of trainers and middle and senior commanders of the anti-riot rapid intervention unit, to ensure capacity development and sustainability of the training process even after completion of UNMISET's mandate. UNMISET's police component continues to train other special units of the PNTL. The second phase of training for the police reserve unit, formerly known as the rapid deployment service, began on 21 June. Eighty-four PNTL officers are being trained by UNMISET police trainers over a nine-week period. While the basic training of the police reserve unit was completed on 23 August, it is estimated that at least three more months of extensive in-service training and supervision will be required.

I am happy to report that since the assumption of responsibility for external security by the Government of Timor-Leste, the security situation in the border districts, and indeed in all of Timor-Leste, has

generally been calm and peaceful. The majority of the personnel of UNMISET's reduced military component are deployed in the western border districts, while one platoon of the international response unit is deployed in Dili. As reflected in the Secretary-General's report (S/2004/669), UNMISET's military component continues to facilitate contacts between the security forces of Timor-Leste and Indonesia. The military liaison officers continue to monitor security-related developments along the border. A military liaison arrangement between UNMISET and the Indonesian security forces was signed on 24 June.

UNMISET's military component has also made efforts to foster close collaboration between the Timorese national security forces. Regular meetings with both the Timorese defence forces and the police have been held to discuss issues related to the security and stability of the country. Development of the defence forces, which continue to suffer from a lack of experience and skilled personnel, proper training and equipment and a very limited logistical capability for deployment, will continue to depend on external support through the provision of equipment and training.

In conclusion, let me say that while progress has been made in all areas of UNMISET's mandate, much remains to be done. UNMISET will strive to achieve as much as possible in the remaining months of its mandate. At the same time, Timor-Leste will have to work closely with other multilateral and bilateral partners to meet its continuing requirements beyond May 2005. The situation will be reviewed later this year with a view to determining whether modifications can be made to the mission's size, composition and tasks. This review, which will take place in October, will be based on the prevailing security situation and the extent of progress made towards reaching the threshold of self-sufficiency by key institutions of State and Government in Timor-Leste.

The President (*spoke in Russian*): I thank Mr. Annabi for his briefing.

Mr. Muñoz (Chile) (*spoke in Spanish*): I wish first of all to express my thanks for the report of the Secretary-General of 13 August (S/2004/669) on Timor-Leste and the briefing from the Assistant Secretary-General for Peacekeeping Operations, Mr. Hedi Annabi, who has given us some information on the latest developments in the country. I also wish to commend the Special Representative of the Secretary-General and UNMISET for the work that they achieved in these first few months of the new mandate pursuant to resolution 1543 (2004).

We are encouraged to know that, in spite of the existing limitations, resolute steps have been taken forward in this consolidation phase. In particular, we welcome the fact that the Government has officially undertaken responsibility for the internal and external security of the country, adopting a number of fundamental laws and taking steps in the area of electoral registration.

As regards UNMISET's functioning, we would like to highlight three key aspects. With respect to the first programme element, we hail the improvements in the capacity and structure of public administration. However, we concur that, in addition to having civil servants prepared for leadership roles, the right personnel must be available for middle management posts. There is no doubt that the structure and development of public administration in Timor-Leste still presents us with significant challenges that must be taken into consideration.

The work done by UNMISET's civilian advisors in the instruction and training of civil servants of Timor-Leste is essential. I would like to stress that, notwithstanding the existing limitations, Timor-Leste has a unique opportunity to train public officials who are dedicated to public service and will also be models of rectitude and probity.

We share the concern about the lengthy delays in the administration of justice and the lack that we perceive in the area of human rights in terms of procedure, and we agree with the need to develop capacities in this area. In this context, we welcome the new measures taken by the coordinating council for the judicial system.

We would also like to underscore that in May, a delegation of representatives of the countries from the convening group of the Community of Democracies, made up of Chile, the Republic of Korea, Portugal and the United States, in addition to Australia, Cape Verde, Italy, New Zealand and Israel, visited Timor-Leste. On that occasion, they met with the highest political, judicial and parliamentary authorities, as well as civil society. They also visited several cities in order to assess the most urgent needs with regard to institutional rebuilding and the state of the judicial, social and

electoral systems. At the same time, the delegation identified areas in which the Community of Democracies, over which Chile currently has the honour to preside, could provide cooperation and support. Next September, in just a few weeks, the United States and Portugal will issue a follow-up report to that visit.

In the sphere of human rights, we welcome the assistance provided by UNMISET through the Serious Crimes Unit in an effort to shed light on the crimes committed in 1999. We also wish to highlight the strategy put forward to process, before May 2005, all the arrest warrants issued against indicted persons whose cases have not yet gone before a tribunal. We must keep in mind that it is likely that that work will not be completed by the scheduled date, and that we should therefore not discount the possibility of taking additional measures in the future if necessary.

In the same vein, we especially appreciate the work being done by the Commission on Reception, Truth and Reconciliation. We look forward with interest to its final report and recommendations on additional activities, which the Commission will issue towards the end of October.

With regard to programme II, we particularly welcome the work done by the national police, as Mr. Annabi has highlighted. We note that its 3,020 personnel are already carrying out their work in every district of the country. Moreover, we believe it essential to continue to support the training of the Border Patrol Unit. Despite the progress made, we agree that the national police should continue its training, in particular with regard to achieving greater professionalism, efficiency and responsibility, with strong emphasis on respect for human rights. We also note the work done by UNMISET's political component in providing training, education and supervision for the national police of Timor-Leste.

With regard to programme III, concerning the maintenance of security, we welcome the fact that the situation in the country has been fairly calm. However, we should not overlook certain areas where there is instability, such as smuggling, illegal trafficking and border crossings and the demonstrations that have taken place in Dili, as Mr. Annabi has also noted. In that regard, we believe that the provisions of resolution 1543 (2004) thus far appear to have proved appropriate and reasonable.

Lastly, another key challenge in attaining stability in Timor-Leste is to achieve a level of economic development that makes it possible to overcome poverty, create jobs, improve the well-being of the population and attain the social and economic success that the country desires. In that connection, we wish to highlight the assistance programmes being carried out by the United Nations, the Bretton Woods institutions and several donor countries. However, it is clear to us that even more support from the international community is necessary to tackle, among other things, the lack of employment, the low level of development and poverty. In that regard, we hope there will be greater progress in exploiting the country's mineral resources. I am certain that many countries can provide assistance in that area, including mine.

We welcome the cooperation that exists between Timor-Leste and Indonesia. We are pleased at the willingness shown to achieve an agreement on the territorial borders, as well as at the progress that Mr. Annabi has just spoken of. We hope that a definitive agreement will soon be reached, which we are certain will have a very significant impact on improving bilateral relations. We also hope that progress will continue to be made in other important areas of bilateral relations. In particular, we hope that those responsible for serious crimes committed in 1999 will be held accountable for their actions.

Finally, we also wish to commend the valuable work done by other regional actors and by donors from the international community. Chile, which has stood by Timor-Leste from the outset and which contributed troops in the early stages, hopes that this young country will become an international model of success and hope.

Mr. Akram (Pakistan): I would like to join others in thanking Assistant Secretary-General Hédi Annabi for his excellent introduction of the report of the Secretary-General (S/2004/669) and for updating the Council on the situation in Timor-Leste.

Timor-Leste has made remarkable progress since its independence over two years ago. We commend the Government of Timor-Leste for the achievements it has attained despite difficult circumstances. We also appreciate the efforts of the Timorese leadership to promote national reconciliation and to heal the deep wounds of the past, both the internal and external.

Pakistan supports the efforts of the United Nations Mission of Support in East Timor (UNMISET)

to strengthen peace and assist institutional development in Timor-Leste. We welcome the progress made by UNMISET in the three programme areas where it is mandated to support the Government — namely, first, public administration and the justice system, as well as justice in the area of serious crimes; secondly, the development of law enforcement; and, thirdly, security and stability in Timor-Leste. Those are critical tasks in assisting the country in this crucial period of institution-building. However, we agree with the observation made in the report of the Secretary-General that

> "UNMISET can meet only the most urgent requirements [and that] [c]omplementary bilateral efforts to strengthen Timorese public administration, law enforcement agencies and armed forces are essential for Timorese counterparts to achieve the necessary capability in an orderly and sustainable manner." (*S/2004/669, para. 46*)

Pakistan believes that the continued support of the neighbours of Timor-Leste is vital in that context. The development of close and friendly relations between Timor-Leste and Indonesia is, of course, of vital importance and in the best interest of both countries. We welcome the efforts by both sides to improve their bilateral relations. We call on them to continue to work in a constructive manner in order to resolve their outstanding problems, in particular on the demarcation and management of their common land border. We hope that Timor-Leste's other neighbours can also resolve their bilateral issues with this emerging country, in order to allow it to attain its true economic potential. In that context, we attach high importance to the early finalization of the maritime boundary between Timor-Leste and Australia and on the sharing of petroleum and natural gas resources in the region, resources that are so badly needed for Timor-Leste's immediate and long-term economic and social development.

In conclusion, I would like to share the optimism expressed in the report of the Secretary-General on the progress made by Timor-Leste on the road to what is called self-sufficiency.

However, as the report states,

> "it is clear that much remains to be accomplished during the remaining months of the UNMISET mandate and that the extent of its progress will depend upon joint efforts by Timor-Leste, UNMISET and the international community". (*S/2004/669, para. 43*).

In our view, the long term stability and self-sufficiency of Timor-Leste must not be taken for granted. Without the necessary and sustained international assistance from the international community all the gains made in Timor-Leste could be in danger of reversal. To facilitate the transition from peace-making to peace-building it is important, in our view, at this stage for the appropriate involvement of all the organs of the United Nations and other elements of the international community — including the Breton Woods institutions and civil society — in assisting Timor-Leste.

In this regard, we should examine the possibility of setting up a composite committee with representation from the Security Council, the Economic and Social Council and the General Assembly to coordinate and oversee international support for East Timor. At the very least, the Economic and Social Council should consider setting up a mechanism similar to the ones that have been created for Guinea-Bissau and Burundi for this purpose.

Mr. Danforth (United States): Thank you, Mr. President. We welcome the Secretary-General's latest report on the United Nations Mission of Support in East Timor (UNMISET) and thank Assistant Secretary-General Annabi for his presentation. We would also like to recognize the work of the Secretary-General's new Special Representative for UNMISET, Sukehiro Hasegawa and the Mission's progress towards helping the East Timor Government achieve self-sufficiency. In particular, we note with satisfaction the adoption of key legislation establishing legal and institutional legal frameworks in East Timor, progress and voter registration and establishment of the office of the Provedor for the Human rights and Justice.

While we applaud the progress made by the Government and the people of East Timor in the development of a civil administration, the East Timor administration continues to have limited capacity. It is critical that UNMISET advisers transfer skills to their East Timor counterparts before May 2005. In this context, we hope that the Government of East Timor appoints civil administrators, especially in the Treasury and the Banking and Payment Authority, as soon as feasible. The Government should also work to promulgate relevant laws, rules and regulations to guide the administration.

In his report the Secretary-General states that the justice sector continues to be confronted by a shortage of qualified personnel and limited infrastructure. We commend the work of UNMISET in helping to establish a judicial training centre that will help develop the human resources necessary for a functioning judiciary.

In the area of serious crimes, we remain concerned by the number of indicted individuals — 279 accused — assumed to be outside of East Timor and therefore outside the reach of the Serious Crimes Unit. As I emphasized to the Council last February, the human rights violations committed in East Timor in 1999 have not been forgotten and the process of accountability for those atrocities should achieve justice.

While outside the mandate of UNMISET, the recent rulings by an appeals court in Indonesia, in overturning four Ad Hoc Human Rights Tribunal convictions, directly impacts on the larger issue of achieving accountability. The decisions and the overall ad hoc tribunal process were seriously flawed and failed to provide a full and credible accounting for the abuses that occurred in East Timor in 1999. It is critical for the development of democratic institutions in both Indonesia and East Timor that there be some level of accountability for the 1999 atrocities. Given the limited jurisdiction of the Serious Crimes Unit and the failure of the Indonesian Ad Hoc Tribunal process, additional remedial measures may be required to achieve justice. We believe an independent international truth commission, composed of international experts, should be seriously considered as one option for accountability.

Finally, we are encouraged to hear that the security environment in East Timor remains stable. UNMISET should continue its training with East Timor's police and military in order to further develop Timorese capacity in the security sector. UNMISET will transfer responsibility for all aspects of security to the Timorese by May 2005 and, therefore, the Timorese national defence forces (F-FDTL) and the Policia Nacional de Timor-Leste (PNTL) must receive further training in order to address effectively all security threats. We appreciate the bilateral assistance provided by the United Kingdom and Australia in this regard as well as the hard work by our colleague here from East Timor who does a terrific job in representing his country's interests.

Mr. Abdallah Baali (Algeria): Thank you, Mr. President. I wish first to thank Mr. Hédi Annabi for his detailed briefing on the situation in Timor-Leste. My delegation welcomes the significant progress achieved in recent months by the Timorese people and Government with the support of the United Nations Mission of Support in East Timor (UNMISET). Very encouraging advances have been made in the preparation for upcoming local elections as well as in the development of the public administration justice and law enforcement systems.

The developments achieved in the area of security, in particular, the adoption of key laws in the sectors of police and defence are extremely positive. The local authorities are performing their commitments properly and the report is extremely positive in that regard. We are confident that Timor-Leste will continue to develop its own capacities and will shortly, with the support of the international community and UNMISET, be in a position to achieve self-sufficiency in the area of security.

Financial difficulties have continued in recent months to impede the rebuilding of infrastructure as well as the preparation for the elections, in particular, outside of the capital where the capacity of the regions in the area of administration and the justicial system is still low. If social stability and sustainable economic development are really to be achieved, the Government and people of Timor-Leste must step up their efforts. The constant support of the international community and donors will remain vital in that regard.

Unfortunately, the country's low income level and poverty continue to jeopardize Timor-Leste's reconstruction and development efforts. The income expected from petroleum and gas exploitation in the Timor Sea unfortunately have not been realized and progress in this area is absolutely essential if the country is to exploit fully its economic potential. In this regard, we hope that an agreement between Australia and Timor-Leste for the development of mineral resources in the Timor Sea — which will be in the interests of the two countries — will be concluded shortly.

We also welcome the continuing improvement in relations between the Governments of Timor-Leste and Indonesia and we are convinced that the two countries will continue to work together to resolve outstanding issues such as the delimitation and management of their common border as well as building further on their mutual cooperation.

The promotion of Timor-Leste's social and economic development by bilateral and multilateral donors will greatly assist in establishing the country's long-term stability. Therefore, the international community is duty bound to continue to provide substantial and consistent assistance to the development of Timor Leste and to participate in its economic reconstruction. We are confident that the Timorese people will continue to achieve success in their undertaking to build and secure the country's economic recovery.

Mr. Sardenberg (Brazil): Thank you, Mr. President. I thank Assistant Secretary-General Mr. Hédi Annabi for his thorough and objective presentation of the Secretary-General's report on UNMISET. My delegation welcomes the report and shares the Secretary-General's assessments regarding progress made in Timor-Leste towards self-sufficiency, as well as his remarks about major challenges still to be overcome by the Timorese Government itself and by the international community and the United Nations Mission of Support in East Timor (UNMISET) in fulfilling their roles and living up to expectations.

This is a mid-term report, and my delegation understands that we have good reason to believe that the completion of UNMISET's mandate in Timor-Leste will proceed as smoothly as possible. We are pleased to acknowledge that there has been an overall improvement in stability and in the security situation in the country, although smuggling, illegal trading and border-crossing continue to be causes of concern.

We welcome the significant steps being taken for the country's first elections since independence. Relevant progress has also been achieved in the areas of public administration and law enforcement. We believe that, with appropriate support from UNMISET — particularly from its civilian component — it should be possible to reach more positive results by May 2005.

Nonetheless, and in line with the Secretary-General's opinion, there is a series of pending issues that need to be addressed. The country will continue to be dependent on international assistance in order to reach its development goals. Thus, bilateral and multilateral support, in particular from international financial organizations, will be crucial for the future of Timor-Leste. We hope that such support will continue and that it will be properly managed in full cooperation between Timorese authorities and institutions on the one hand and their international partners on the other.

I am also pleased to acknowledge the Secretary-General's reference to the relationship between Timor-Leste's own capacity to generate sufficient national income and the development of sustainable national institutions, which will lead to stability and improved socio-economic conditions. In that regard, Brazil hopes that bilateral negotiations between Australia and Timor-Leste on the maritime boundaries, as well as negotiations with Indonesia regarding land boundaries, can soon be finalized in order to help the Timor-Leste Government, in the most effective way, to sustain stability and foster development.

As far as the fight against impunity is concerned, we encourage the international community to continue to provide support — particularly diplomatic and financial support — to the improvement of the judicial system in Timor-Leste, as well as to the work of the Commission on Reception, Truth and Reconciliation. We consider this to be an essential part of any process of democratic consolidation. The need to redress all cases of impunity and violations of human rights should not be limited to efforts, however praiseworthy, to act against those who committed the most serious crimes in 1999.

All perpetrators of crimes and violations of human rights, be they serious or minor, need to be punished in a new State such as Timor-Leste. My delegation takes this opportunity to call on all parties concerned — inside and outside Timor-Leste — the donor community and human rights organizations, as well as the Dili and Jakarta Governments, to make all possible efforts to build a culture of respect for human rights in this new nation, which will provide a solid basis for a democratic State and will accelerate its development process.

Mr. Duclos (France) (*spoke in French*): I too wish to thank Mr. Annabi for introducing the report of the Secretary-General (S/2004/669) and for his very useful update on the situation in Timor-Leste. We join others in hailing the work of the Special Representative of the Secretary-General and of the United Nations Mission of Support in East Timor (UNMISET). Moreover, we congratulate the people and the Government of Timor-Leste on the progress — in some respects, outstanding progress — they have made over the past few months. We note with interest the

measures towards enabling the Timor-Leste Government to shoulder responsibilities in the security area. We note too the progress on legislation in the administrative and justice areas. Also, like others, we have been following the measures taken to prepare for the holding of elections in accordance with the planned timetable. We welcome, for example, the beginning of the voter registration process.

There has been significant progress in other areas as well, including relations between Timor-Leste and its neighbours. Here, we join others in drawing attention to the importance of speedy agreement on the maritime boundaries with Australia and on the land border with Indonesia; those are matters that to some degree will define the country's economic development.

We are pleased with the functioning of UNMISET and support the observations made in the report of the Secretary-General and the suggestions that the representative of Chile offered earlier in today's meeting.

Looking to the future, we are well aware that much remains to be done. Here, I wish to draw the Council's attention to two matters. The first — to which others have already referred — is impunity, on which I associate myself with the comments made earlier by the representative of the United States with respect to some recent court decisions related to serious crimes committed in 1999. In that connection, let me ask Mr. Annabi whether he believes that the international community could take additional steps, and what they might be.

The second matter relates to preparing for the contribution that the international community will have to continue to make after the mandate of UNMISET expires. It is quite clear that there will be a need to devise structures in ongoing support of the efforts of the Timorese themselves for the development of their country. The representative of Pakistan offered several ideas in that regard; my delegation believes that it is important for all of us together to think along the lines he described.

Mr. King (United Kingdom): I would like to join others in thanking Assistant Secretary-General Annabi for his briefing this morning and in extending thanks to the Secretary-General for his report (S/2004/669), which provides a most useful update on progress towards the completion of the mandate of the United Nations Mission of Support in East Timor (UNMISET).

The United Kingdom associates itself with the statement that the representative of the Netherlands will make shortly on behalf of the European Union.

Like others, we are pleased to welcome the significant progress that has been made in a number of important areas. We commend the Government of Timor-Leste for its work and the Special Representative of the Secretary-General and UNMISET for their efforts. We particularly welcome the support being provided for new measures needed to deal with problems in the justice sector, including the establishment of a judicial training centre. We also welcome the support for the Timorese police force following their assumption of full responsibility on 20 May, including the preparation of a skills development plan. We also commend UNMISET for its efforts to coordinate its assistance to the Timorese police with other bilateral assistance programmes such as, for example, the United Kingdom and Australian police training programme.

We welcome the continued progress of the Serious Crimes Unit as well as the work of the Commission on Reception, Truth and Reconciliation on the development of recommendations for policy and programmes. That said — and as noted in the Secretary-General's report — more needs to be done in a number of areas. We would particularly like to see further progress over the next few months in developing further capacity and structures in the public administration and also in developing further the capability of the armed forces.

Again, as the Secretary-General notes, the full cooperation of Member States remains important. Like others, we are disappointed about the recent overturning of convictions by the Ad Hoc Human Rights Tribunal of Indonesia in Jakarta and about the failure of the ad hoc tribunal process to deliver justice. The United Kingdom looks forward to working with the Secretary-General to devise a mechanism to ensure accountability for the serious crimes committed in 1999. We commend the continued efforts of Timor-Leste and Indonesia towards reaching agreement on the land border, and we hope that early progress will be made in finalizing arrangements for management of the border area.

We welcome UNMISET's plans to support Timor-Leste in resolving emerging issues as Timor-Leste moves towards self-sufficiency, thus helping to ensure a smooth end to UNMISET's remit. In that

respect, we look forward to the review of UNMISET later this year and to discussion of possible changes to the future tasking and responsibilities of UNMISET as needs and priorities evolve.

Mr. Baja (Philippines): Thank you, Mr. President, for convening this public meeting to discuss the progress report of the Secretary-General on the United Nations Mission of Support in East Timor (UNMISET) (S/2004/669) under Security Council resolution 1543 (2004). It is important and timely to have more open discussions at this stage of Timor-Leste's development and journey towards self-sufficiency, when the assistance of the international community, on a bilateral and multilateral basis, becomes more critical than ever. We are also grateful to Assistant Secretary-General Annabi for his briefing, and we take this opportunity to acknowledge the contributions of former Special Representative of the Secretary-General Sharma and new Special Representative Hasegawa in the fulfilment of UNMISET's mandate.

It is noteworthy that some key positions in Timor-Leste's public administration have now been turned over to Timorese nationals. However, we also note the overall assessment that the public administration still lacks experienced and skilled personnel in the areas of economic planning and finance, justice and infrastructure. We support the Secretary-General's call for external support in those areas. That is particularly important in the justice sector, where the development of a modern egalitarian justice system is crucial. Timor-Leste's long-term governance hinges on how strong the foundations of the administrative institutions are built.

With regard to justice in the area of serious crimes, my delegation awaits the final report of the Commission on Reception, Truth and Reconciliation. We note the Secretary-General's observation that the remaining time frame and the limited resources for the serious crimes process may not be sufficient to fully bring to justice those responsible for the violence in 1999. We join the Secretary-General in his call for those responsible for the serious crimes in 1999 to be brought to justice. We believe that that should be done in the most practical, appropriate and effective manner, taking into consideration the views, sensitivities and cooperation of the parties concerned.

The reported continuing problems of the limited professional skills and experience of the Policia Nacional de Timor-Leste (PNTL) underline the need for more training, including not only skills enhancement for the police officers and the civilian support staff, but also human rights education.

My delegation is heartened by the report that, since Timor-Leste's formal assumption on 20 May of full responsibility for security, the overall security situation has remained calm and peaceful. Thus — notwithstanding initial fears — the significant reduction of UNMISET's military component has not led to any destabilization. Of course, the UNMISET security force and the International Response Unit are still in a state of readiness and conduct regular patrols. We note, however, the reported limitations in the capacity of the Timorese national defence forces (F-FDTL) resulting from a lack of experienced and skilled personnel and of proper training and equipment and a very limited logistical capacity for deployment.

We are also concerned at the very high unemployment rate and the widespread poverty in the country. Unless addressed by the Government, these could pose serious threats to the security and stability of Timor-Leste. We urge the Government to make use of unspent revenue to fund capital projects such as the rehabilitation of roads and other infrastructure, since such projects would not only generate employment but also promote economic growth and social development.

It is clear that, while UNMISET has achieved gains with regard to Timor-Leste's road towards self-sufficiency and self-governance, the problems associated with nation-building go well beyond the remaining period of UNMISET's mandate. As we face those problems, international assistance and support — on a bilateral and multilateral basis — is seen to be picking up where UNMISET leaves off. It is important to know what has ended and what has begun.

Nation-building is a long and tedious process fraught with challenges to be overcome. Timor-Leste's leaders and its people provide us with lessons on how the ingredients of vision, courage, determination, unity and hard work all help a country to inch towards successful nation-building. Countries that are in the best position to help Timor-Leste achieve the objective of nation-building are called upon to extend their support and assistance as expeditiously as possible. The efforts of neighbours Indonesia and Australia to

resolve remaining transitional issues — particularly boundary delineations with Timor-Leste — are indeed welcome.

Finally, my delegation also underlines the important roles that the United Nations agencies, funds and programmes — together with the Bretton Woods institutions and the development partner countries — now operating in Timor-Leste are playing in ensuring that Timor-Leste achieves a self-sustaining, economically independent and socially egalitarian society.

Mr. Lucas (Angola): We thank you, Mr. President, for convening this meeting on the situation in Timor-Leste. We also thank the Assistant Secretary-General for Peacekeeping Operations, Mr. Hédi Annabi, for his comprehensive presentation of the Secretary-General's report (S/2004/669), and we thank the Special Representative of the Secretary-General for Timor-Leste for his efforts and for those of the United Nations Mission of Support in East Timor (UNMISET) in helping the people of Timor-Leste to build that new nation, which we in the Community of Portuguese-Speaking Countries cherish dearly.

We took note with pleasure of the remarkable progress accomplished by the people and the Government of Timor-Leste in national reconciliation, peace-building and launching the foundations of a self-sustainable State, of which the recent assumption of responsibility for internal and external security is a major milestone. The progress achieved — as portrayed by the Secretary-General's report — in the three core programmes that are the main object of UNMISET's activities in Timor-Leste stands as a gauge of hope that a modern and democratic State based on the rule of law will become a reality in the near future.

While the Timorese State evolves towards those objectives, we deem it essential to provide Timor-Leste with a degree of economic sustainability, guaranteeing that the far-reaching reforms under way become irreversible in the long term.

The international financial institutions, the bilateral and multilateral partners of Timor-Leste and the international community at large should redouble their efforts to provide the needed economic assistance to Timor-Leste in order to ensure that the modern State and society being built in Timor-Leste are matched by a corresponding economic structure. Steady growth and the development of the Timorese economy are thus fundamental to the attainment of a sustainable and progressive society in Timor-Leste. It is the view of my delegation that the advances achieved might be jeopardized if tangible progress is not made in establishing the foundations of a modern economy and the full integration of Timor-Leste in the regional and world economy.

Relations between Timor-Leste and the neighbouring countries, particularly Indonesia, remain a crucial element of the current consolidation phase in the nation-building process. My delegation welcomes the high-level cooperation established between Timor-Leste and Indonesia on the common land border issue. The conclusion of that process, as well as negotiations with Australia on the maritime boundary and on the sharing of petroleum and natural gas resources, are crucial endeavours for Timor-Leste and for strengthening the Timorese people's prospects for security and socio-economic development.

As mentioned in the Secretary-General's report, to whose concerns and recommendations we fully subscribe, Timor-Leste has reached a crucial stage on the road to self-sufficiency, with a still fragile foundation of a sustainable society. When, in October, the Council again takes up the issue of Timor-Leste with the purpose of reviewing UNMISET's current mandate, we will strive for a sustained international presence in the country until a clear threshold on the way to the State's self-sufficiency has been crossed.

My delegation acknowledges the important role played by the United Nations system in ensuring better economic and social conditions for the people of Timor-Leste through the rehabilitation of infrastructure, job creation, poverty reduction and the better provision of health care and education to the population.

In conclusion, we would like to praise the excellent work of UNMISET advisers in supporting the public administration and the justice and law enforcement systems and in strengthening the security and stability of Timor-Leste.

Mr. Zhang Yishan (China) (*spoke in Chinese*): First, I thank the Secretary-General for his report on the United Nations Mission of Support in East Timor (UNMISET) (S/2004/669). I also thank Assistant Secretary-General Annabi for his briefing.

In the past several months, with the unflagging efforts of the Timorese Government and people, Timor-Leste has witnessed remarkable progress in all areas of nation-building. The Timorese Government has continued to enhance its public administration capabilities. Its legal framework and law enforcement agencies have improved. The police and the armed forces have been strengthened and have successfully assumed responsibility for maintaining national security. We congratulate the Timorese people on their achievements in nation-building.

As the report of the Secretary-General notes, Timor-Leste still faces many challenges in maintaining national stability, improving public administration and promoting economic and social development. UNMISET still has much work to do during its mandate; in order fully to achieve prosperity and stability, the Timorese people still have much to do as well. During this period, the international community must establish a long-term partnership with Timor-Leste. We highly appreciate UNMISET's positive role in Timor-Leste's development and construction. We support UNMISET as it continues to provide support for Timor-Leste's early self-sufficiency. At the same time, we call upon the international community, including the United Nations Development Programme, the World Bank and the International Monetary Fund to continue to support and assist Timor-Leste in its nation-building in order to ensure sustainable development in all areas.

Mr. Zinsou (Benin) (*spoke in French*): Mr. President, I thank you for convening this public meeting on the situation in Timor-Leste. I also thank Mr. Hédi Annabi, Assistant Secretary-General for Peacekeeping Operations, for his excellent briefing on the report of the Secretary-General (S/2004/669).

My delegation welcomes with renewed satisfaction this very instructive report on the progress made by Timor-Leste since the Council's last debate on this subject, in May 2004 (see S/PV.4965). The information in the report demonstrates once again, if proof were needed, the political resolve and long-term vision of Timorese leaders, who are committed to building a stable and democratic nation. The report also confirms that the young Timorese State is making the most of the presence of the United Nations Mission of Support in East Timor (UNMISET); we hail the Mission's remarkable effectiveness in assisting Timor-Leste to attain self-sufficiency. We commend the Special Representative of the Secretary-General for his action at the head of the mission.

As well, Benin welcomes Timor-Leste's developing cooperation with the Governments of Australia and Indonesia. We hope that the political will shown by those three Governments will endure and that the strengthening of good-neighbourly relations and respect for one another's territorial integrity will be the hallmark of their activities in all spheres.

We welcome the progress made in the delimitation of the land and maritime borders of Timor-Leste. The conclusion of that process is crucial for wise exploitation of and equitable benefit from the area's natural resources.

We welcome UNMISET's effective transfer on 20 May 2004 of all police and defence powers to the Timorese Government. That was indeed an important, even historic, step that marked the Timorese people's full enjoyment of their sovereignty. We are pleased to note that since then, calm has prevailed throughout Timorese territory and that the Government is continuing to set up various mechanisms to ensure an environment conducive to achieving sustainable economic and social development.

However, there is no doubt that Timor-Leste still needs time to achieve the established objectives and to meet the various expectations inspired by the country's independence. Peace, justice and democracy are preconditions for the creation of a stable and prosperous State. The Timor-Leste authorities have understood that very well; that is why they are tireless in their efforts to establish viable institutions that strengthen the rule of law. Proof of that is the preparation and adoption of indispensable legislation.

While it is true that Timor-Leste continues to have problems with the smooth functioning of State institutions, it is equally true that what is important is how those problems are tackled and solved. Therefore, my delegation agrees with the Secretary-General's assessment when he advocates the promotion by Timorese leaders of a culture of political dialogue, both among public institutions and with the population. We also agree that much remains to be done, particularly in the area of strengthening the capacities of the Timorese national police, which must at all costs remain a republican force at the service of all citizens and be capable of ensuring the safety and security of all

Timorese in order to strengthen their confidence in government.

An important phase in the building of the rule of law is consolidating the judicial system, the first objective of which should be combating all forms of impunity. Therefore, it is essential for the justice system of Timor-Leste to be given the effective means necessary to bring all those who have committed serious crimes to justice and ensure that the entire population enjoys impartial justice on a daily basis. This is why Benin believes that countries that shelter the perpetrators of — and those responsible for — the atrocities of 1999 must hand them over to the Timorese State so that they may be tried in accordance with the standards and norms of international justice. This is an international obligation that States must fulfil so as to ensure justice for the victims of these deplorable events.

At the same time, Benin is convinced that the efforts made by Timor-Leste require constant support from the international community, which should remain committed. We therefore welcome the extension of UNMISET's mandate as established in resolution 1543 (2004), which makes it possible for the United Nations presence to be maintained as a symbol of the culture of peace. We fully share the view of the Secretary-General concerning the need to sustain complementary bilateral efforts, particularly in such sensitive areas as public administration, the police and the armed forces. In this regard, my country welcomes the holding of a conference of Timor-Leste's development partners in May 2004, in Dili. We associate ourselves with the appeal issued by the Government of Timor-Leste for continued budgetary support at the current level for a period of two further years.

Mr. Trautwein (Germany): My delegation is grateful for the comprehensive briefing we have just heard from Mr. Hédi Annabi. We also commend Mr. Sukehiro Hasegawa for the work he has carried out as the Special Representative of the Secretary-General to Timor-Leste during the last three months.

Let me begin by saying that Germany aligns itself with the statement that the Ambassador of the Netherlands will make on behalf of the European Union.

Considerable progress has been achieved in all the elements of the mandate of Security Council resolution 1543 (2004) since the last report of the Secretary-General (S/2004/333). We have seen progress in the fields of public administration and the justice system, development and law enforcement, and security and stability. The Government of Timor-Leste has to be commended for their achievements so far and the ongoing efforts towards establishing and securing a stable democracy.

Nevertheless, deficiencies in capacity-building still remain. Experienced, skilled and qualified personnel are still lacking, and external support remains necessary at this stage. In order to terminate the mandate as envisaged, training and capacity-building will therefore be the key tasks for the United Nations Mission of Support in East Timor (UNMISET) in the remaining months.

We welcome the adoption of key pieces of legislation in the security field and the transfer of security responsibility from UNMISET to the authorities, police and national defence forces of Timor-Leste. We encourage the Government of Timor-Leste in its efforts to settle outstanding issues with its neighbours. In this regard, we hope that the ongoing talks with the Indonesian Government concerning the delineation of the land border will be concluded in the near future. We also believe it will be essential for the development of Timor-Leste's economy that the negotiations with Australia on the maritime border between the two countries and on the sharing of oil and natural gas resources in the region be successful.

Reconciliation is an important part of nation-building. The rule of law must be reinforced and confidence in State authority re-established. It is therefore of utmost importance that all perpetrators of serious crimes are brought to justice. Impunity is no option. In this regard, we express our confidence in all parties involved that the legal proceedings against the perpetrators of the crimes of 1999 are conducted in due course and in an appropriate manner.

Timor-Leste has rightly been described as a success story and a true model for nation-building. It will be important for the international community to remain committed to helping the people of Timor-Leste in building their economy. Economic development will be crucial. Therefore, continued and increased international cooperation and support in this regard is essential.

Mr. Dumitru (Romania): I would like to join other members of the Council in thanking the

Secretary-General for his comprehensive report (S/2004/669) on the United Nations Mission of Support in East Timor (UNMISET), and to express gratitude to Mr. Hédi Annabi, Assistant Secretary-General, for his presentation and the very useful update on the latest developments in Timor-Leste.

As Romania aligns itself with the statement to be made shortly by the permanent representative of the Netherlands, on behalf of the European Union, I would like to make only a few brief comments.

First, I would like to express Romania's satisfaction with the steady pace of the post-conflict stabilization and nation-building processes unfolding in Timor-Leste. The progress in that regard is the result of the continued close cooperation between the Government of Timor-Leste and the United Nations — with its complex involvement — together with the Bretton Woods institutions and development partner countries. In this context, we should underline that the decision taken by the Security Council on 14 May 2004 to extend UNMISET's mandate has already been fruitful. Through its different components, UNMISET has been concretely contributing to capacity-building within all the basic sectors of the young Timorese State, helping put new institutions and structures into operation.

Secondly, one cannot overlook that, in various areas, the process is still either just being launched or at a very early stage. The administrative capability of the major institutions in Timor-Leste is being hampered by a lack of experienced and skilled personnel, proper training and equipment and, in some cases, by a very limited logistical potential for deployment.

Of particular concern is the fact that, in spite of the progress in the prosecution of serious crimes since the Secretary-General's last report (S/2004/333), it seems that the serious crimes process may not be able to fully respond to the desire for justice of those affected by the violence in 1999. This means that many cases of grave human rights violations will not be investigated, and victims and their families will be denied justice. Romania stands ready to work in this regard with the other members of the Security Council and with the Secretariat.

Also, even though the overall security situation has remained calm and peaceful since Timor-Leste's formal assumption of full responsibility for security on 20 May, smuggling, illegal trading and border-crossing should be perceived as cause for concern, as are the tensions related to the demonstrations in Dili last July.

Certainly, there is no doubt that, in a number of key areas, including economic planning, finance, justice and infrastructure, external support remains crucial. Because UNMISET's ability to help will continue to be limited and can only complement bilateral efforts, the Security Council should further encourage greater assistance from the international community, which will be critical to the long-term stability and development of Timor-Leste. In addition, the cooperation of Member States is more necessary than ever to ensure that those responsible for serious crimes do not enjoy impunity. We believe that many of the persons indicted as part of the serious crimes process remain outside Timor-Leste and have not been brought to justice.

We would also like to join the appeal made by the Secretary-General in his report to the respective leaderships of Indonesia and Timor-Leste to make every effort in the coming months to finalize their agreement on their land border and on the management of the border area. UNMISET's military component has already facilitated contacts between Timorese and Indonesian security forces. Furthermore, UNMISET is called upon to continue to provide effective assistance and to facilitate confidence-building measures, so that the bilateral relations between the two countries rapidly reach full normalization, to their mutual benefit.

We also agree with the importance attached by the report of the Secretary-General and by the other members of the Council to the positive steps expected with regard to relations between Timor-Leste and Australia.

Pursuant to Security Council resolution 1543 (2004), UNMISET will complete its final mandate by 20 May 2005. The remaining nine months represent a short period, as compared to the medium- and long-term challenges that will continue to confront Timor-Leste and its Government. In spite of that, we are confident that UNMISET will finally make a difference between success and failure in the Timorese stabilization and State-building processes.

Mr. Yañez-Barnuevo (Spain) (*spoke in Spanish*): Like the speakers who have spoken before me, I too would like to express our gratitude for the detailed report of the Secretary-General (S/2004/669), as well

as for the full briefing we have heard from Assistant Secretary-General Annabi regarding the work of the United Nations Mission of Support in East Timor (UNMISET). We also wish to commend the Special Representative of the Secretary-General, Mr. Sukehiro Hasegawa, both for assuming his new functions and for the work at the head of the Mission.

As the representative of the Netherlands will be making a statement on behalf of the European Union, to which we will of course associate ourselves, I shall confine myself to making a few brief comments.

We welcome the progress made by Timor-Leste since we last met to consider this item, last May, and we congratulate the people and leaders of Timor-Leste for that progress. The Government has taken responsibility for both the country's domestic and external security in accordance with the deadline set. It has also begun preparations for the holding of the first elections since independence. In addition, Timor-Leste has enacted key legislation for State institutions. Public administration is being developed, and efforts are ongoing to promote a culture of political dialogue and dispute settlement, as can be seen from the significant work done by the Commission on Reception, Truth and Reconciliation.

However, as noted by the report of the Secretary-General, much remains to be done in the months remaining before the conclusion of UNMISET's mandate. We are particularly concerned about the lack of training for mid-level civil servants and the major shortcomings still present in the judicial area. In that regard, we fully agree with the Secretary-General's observations in his report regarding trials for serious crimes committed in 1999. For its part, Spain will continue to lend its support to bring an end to impunity for such acts.

It is clear that the international community must not waver in providing security for Timor-Leste, a country whose institutions are still fragile and whose economic and social development pose a real challenge in the medium and long term. There must therefore be careful preparation through the United Nations system for the transition from UNMISET and other coordination and cooperation mechanisms.

Timor-Leste's relations with its neighbours are of fundamental importance to the full development of that country. We are pleased that the Government of Timor-Leste has been conducting those relations in a constructive spirit. We hope that bilateral negotiations with Australia aimed at the demarcation of the maritime border between the two States, as well as those regarding the exploration and exploitation of hydrocarbons in the area, will reach a successful conclusion as soon as possible. Likewise, the demarcation of the terrestrial boundary between Indonesia and Timor-Leste will continue to be a key factor for stability. The document signed on 30 June by the Ministers for Foreign Affairs of the two States is without a doubt a very important step forward that should be welcomed by the international community. That document will no doubt help to promote stable relations and prosperity for the affected populations along the borders.

Spain also wishes to welcome the recent announcement by the Government of the Republic of Indonesia that a bill is to be introduced seeking to establish a commission on truth and reconciliation. Such a body could indeed help heal the wounds of the past. We therefore trust that the good level of relations and cooperation between Indonesia and Timor-Leste will continue to take root in order to guarantee peace and security for both peoples.

The President (*spoke in Russian*): I shall now make a statement in my capacity as the representative of the Russian Federation.

We are grateful to the Secretary-General, the Secretariat and Assistant Secretary-General Annabi for the detailed information provided regarding developments in Timor-Leste. We agree with the major conclusions of the Secretary-General's report (S/2004/669).

In recent months, the authorities of Timor-Leste, along with the active assistance of the United Nations Mission of Support in East Timor (UNMISET), have been able to achieve tangible progress towards further developing a legislative foundation and strengthening the basic institutions of the new Timorese State. It is important that the process to establish genuine sovereignty for this country has been consistent.

Nevertheless, Timor-Leste continues to face such drastic problems as a lack of resources and a shortage of skilled trained personnel, particularly in the executive branch and the law enforcement and judicial areas. With the support of the United Nations and the international community, the people of Timor-Leste still have a great deal to do in order to achieve genuine

self-sufficiency ahead of next year's conclusion of UNMISET's mandate.

We are pleased that the domestic political situation in Timor-Leste has continued to be generally stable. On the whole, the preparatory process for local elections is being successfully carried out. Those elections will be very significant, as they will be the first expression of popular will since the country gained its independence. We call on all of the country's political actors to participate constructively in the elections.

We welcome the continued development of relations between Timor-Leste and Indonesia. We call upon both countries to engage in a further intensification of bilateral cooperation to speedily resolve the outstanding an unregulated issues, including the important problem of the demarcation and settlement of the common border.

In conclusion, I would like to express our gratitude to all of the personnel of the United Nations Mission for their active and important work in carrying out the mandate given by the Security Council for this operation.

I now resume my function as President of the Security Council. I give the floor to the representative of Timor-Leste.

Mr. Guterres (Timor-Leste): Thank you. As this is the first time that I have addressed the Council since your assumption of the presidency, allow me to congratulate you and wish you success in the conduct of the work of this august body. I would like to thank the Secretary-General for his report which outlines the activities of the United Nations Mission of Support in East Timor (UNMISET). I would also like to extend my thanks to Assistant Secretary-General Annabi for his very comprehensive briefing on the current situation this morning, as well as commend the efforts of the Secretary-General's new Special Representative in Timor-Leste, Mr. Sukehiro Hasegawa and his deputy, Mr. Arul Khare.

During the period since the Security Council's adoption of resolution 1543 (2004), progress has been made by the Government towards achieving the goal of self-sufficiency. I will not dwell on those achievements as the report of the Secretary-General adequately highlights them. The challenges are many and both the Government and the people of Timor-Leste will work towards the building of a nation based on the principles of democracy, rule of law and respect for human rights.

However, it is appropriate that I inform the Council of the Government's actions following the public demonstrations which occurred on 19 and 20 July in front of the Government building. Immediately following the incident, both President Gusmao and Prime Minister Alkatiri publicly acknowledged that the actions of some officers of the mission of police were a cause for concern and promised strict actions against those police officers who were found to be responsible.

In view of the severity of the situation, Prime Minister Alkatiri wrote a letter to Special Representative Sukehiro on 21 July seeking assistance for capacity-building in technical and tactical areas, leadership and command in the field, discipline and psychological preparation for the Policia Nacional de Timor-Leste (PNTL).

In addition, on 9 August, the Government announced the establishment of a commission of enquiry composed of Vice Ministers for internal administration and interior, the Prosecutor General and the Human Rights Advisor from the Prime Minister's Office, chaired by the Minister of Administration. These efforts are in addition to the internal professional standards of investigation undertaken by the PNTL.

The events of 19 and 20 August highlighted the need for further capacity-building for the PNTL. The Government remains fully committed to creating a professional and accountable police force in the adoption of the organic law of the PNTL in May of this year. The adoption of the Government decree establishing the oversight committee is indicative of this commitment.

However, as indicated in the Secretary-General's report, the effective implementation of these laws will require continued financial and technical assistance. The President, the parliament and the Government are making every effort to address the issues raised by the veterans and hopes for the continued support of UNMISET and the international community. With such assistance, we believe that residual tensions will soon be defused. Preparations are well under way for the first local elections the holding of which will further strengthen the democratic process, accountability and centralization in our young nation.

Timor-Leste acknowledges and values the importance of dialogue between State institutions and civil society, and, in that regard, has continued with the "open governance" initiative which began in January 2002. It is in this period of world governance, dialogue and transparency that the Government is currently conducting public consultations on the draft of petroleum laws. These consultations are inclusive and enjoy the participation of Timorese civil society as well as international institutions, such as the World Bank, the Asian Development Bank and the International Monetary Fund.

Timor-Leste continues to enjoy good relations with its neighbours. The finalization of the border demarcation activities between Indonesia and Timor-Leste remains a priority for my Government and all efforts are being made to conclude an agreement in the coming months. The finalization of the land borders will contribute significantly to facilitating cross-border links to residents on both sides of the border. My delegation welcomes the recent announcement by the European Union to support the resettlement of Timorese living in Indonesia. The recent accreditation of the first Indonesian Ambassador to East Timor is a clear indication of the progress made in our relations with our closest neighbour. Relations between Indonesia and Timor-Leste will continue to strengthen in the future as there is much goodwill and a spirit of cooperation and friendship between both Governments and peoples.

Negotiations on the maritime boundaries between Australia and Timor-Leste are scheduled to commence in September. Timor-Leste is confident that a just and equitable agreement can be reached. Agreement on permanent boundaries is essential to ensure future economic viability and stability in Timor-Leste.

Justice in the reconciliation process is a cornerstone to guaranteeing a stable society, in particular for those countries like ours emerging from conflict. In East Timor, the Commission of Reception and Reconciliation has played a very important role in this respect. With regard to the work of the Serious Crimes Unit, progress was made in the prosecution of serious crimes, as acknowledged in the Secretary-General's report. My delegation hopes that the work of the Serious Crimes Unit will be completed, as called for in Security Council resolution 1543 (2004). As a society, we would like to put the past behind us and look with confidence towards the future.

Institutional capacity-building in a number of key areas of public administration, such as finance, justice, infrastructure and economic planning is critical for Timor-Leste to succeed in its nation-building efforts. In this regard, we appeal to the Security Council, the international community and development partners to continue to support Timor-Leste by means of the provision of advisers in these key sectors, for mentoring and for the building of capacities of Timorese counterparts.

In conclusion, despite some progress and the forecast of 1 per cent growth in gross domestic product in the economy, poverty reduction, investment capacity-building and job creation are still the main concerns of the Government. In this respect, the continued support of the international community and development partners is critical to achieving the economic and social development, as outlined in the national development plan, for the consolidation of the progress made with the help of the international community and for its importance in the maintenance of peace and stability.

The President (*spoke in Russian*): I thank the representative of Timor-Leste for the kind words he addressed to me.

The next speaker is the representative of Indonesia. I invite him to take a seat at the Council table and to make his statement.

Mr. Jenie (Indonesia): Thank you, Mr. President, for giving my delegation this opportunity to participate in the Security Council's consideration of the agenda item on the situation in Timor-Leste. Our congratulations go to you on your assumption of the presidency of the Council for this month. My delegation would also like to express its gratitude to the Secretary-General for his report contained in document S/2004/669 of 13 August 2004, which was introduced today by Mr. Hédi Annabi.

As members of the Council will recall, Indonesia has been consistent in its support for the work of the United Nations Mission of Support in East Timor (UNMISET). In that regard, we are glad that the report notes the various steps taken by the Timorese Government towards self-sufficiency. It has always been the hope of Indonesia that UNMISET would assist Timor-Leste to attain that objective as soon as possible.

Indonesia places great value on its relationship with Timor-Leste. Indeed — as noted by my dear colleague, Ambassador José Guterres — last month the Government of the Republic of Indonesia upgraded the status of its diplomatic representation in Dili to the ambassadorial level by the enactment of presidential decree number 60, of 26 July 2004. Our ambassador to Timor-Leste presented his credentials to President Xanana Gusmão this month. I share the hope of my colleague José that this development will further enhance our growing relationship with Timor-Leste.

Similarly, on 30 June 2004, the Foreign Ministers of the two countries held a meeting in Bali to discuss efforts to further enhance bilateral cooperation, with particular reference to the boundary issue. Members of the Council may well be aware that the Technical Subcommittee on Border Demarcation and Regulation, comprising border experts from both countries, held 11 meetings during the period 2001-2004. The Subcommittee has achieved significant progress, identifying 907 geographical international boundary points in the border areas between the two countries. This is important because those geographical points cover approximately 90 per cent of the land boundary shared by the two countries. The implication of that achievement is that only about 10 per cent of the boundary remains to be covered.

I am pleased to inform the members of the Security Council that, at their meeting, the Ministers agreed on the content of the provisional agreement between the Government of the Republic of Indonesia and the Government of the Democratic Republic of Timor-Leste on the land boundary, and that they will submit it to their heads of Government for consideration. I note that this development has been welcomed in the course of today's meeting. The draft of the provisional agreement underlines the robust efforts of both States to facilitate the conclusion of the first-ever boundary agreement between the two nations and paves the way for a full boundary agreement. In that connection, we are pleased to note that the report of the Secretary-General acknowledges the progress made at the June meeting of the Joint Border Commission and at the subsequent meeting of the Foreign Ministers.

Furthermore, I would like to draw the attention of the Council to a recent statement by the Foreign Minister of Timor-Leste on the subject of Batek island — to which the Secretary-General's report of 13 February 2004 (S/2004/117) referred — regarding its ownership between Indonesia and Timor-Leste. In a comment to the press at the end of a meeting between the Foreign Ministers of Indonesia and Timor-Leste on 15 August 2004, Mr. Ramos Horta stated that Batek island was under the sovereignty of Indonesia, adding that he was grateful that Indonesia would grant rights to the Timorese in Oekusi to visit the island for rituals or traditional purposes.

Before I conclude, I would like to refer to the 17 June 2004 decision of the Office of the United Nations Security Coordinator to change the security status for the West Timor area from phase V to phase IV. Although that development has come rather late, the decision is a demonstration of the improving security situation in the border area. We hope that continued improvement in the security situation will be taken into account, with a view to reducing the security phase to normal.

Both Indonesia and Timor-Leste are determined to embrace conciliatory and forward-looking policies in the interest of the people and their development. Both nations have chosen to enhance their cooperation on the basis of mutually beneficial policies. In that context, it is important for UNMISET and the international community to remain supportive of the cordial and growing bilateral ties between Indonesia and Timor-Leste.

The President (*spoke in Russian*): I thank the representative of Indonesia for the kind words he addressed to me.

The next speaker is the representative of Australia. I invite him to take a seat at the Council table and to make his statement.

Mr. Dauth (Australia): I appreciate the fact that these days we try to limit courtesies, as a way of making the Security Council more efficient. But it would be wrong of me on this first occasion that I am speaking before the Council since your arrival, Sir, not to warmly welcome you to New York and to congratulate you on a highly efficient and effective presidency this month. It is very good to be here today.

Australia very much welcomes the Secretary-General's excellent report (S/2004/669) on the United Nations Mission of Support in East Timor (UNMISET) and also this morning's very comprehensive and helpful briefing from my friend Hédi Annabi. As the

report shows, UNMISET continues to make significant progress in acquitting itself of its mandate, facilitating Timor-Leste's transition to self-sufficiency. But there still are many challenges ahead, including the development of Timor-Leste's police and justice sectors.

Although the decision will not be before the Council until November, our firm view is that UNMISET should continue in its current form through May 2005. We are not in favour of an early withdrawal or downsizing of the mission's police or military elements.

We share the Secretary-General's assessment that Timor-Leste's law-enforcement agencies, including the Rapid Intervention Unit, require further training and development to strengthen their technical skills and professional values. It has been much discussed this morning, but the events of 19 and 20 July at the veterans demonstration highlighted a need for ongoing capacity-building in Timor-Leste's national police service. I particularly appreciate the comments of our colleague Ambassador Guterres about measures which his Government is taking in that respect. I think this also highlights the value of having an emergency backup international police response unit in place until 20 May 2005. The unit, in our view, must remain at its present strength. It is important that UNMISET continue to provide the time which Timor-Leste needs to strengthen its key institutions and to consolidate the gains made to date. It is also important that that time be efficiently and productively used.

I am pleased to tell the Council that the joint Australia-United Kingdom police development programme — which was mobilized in July, committing $A32 million over four and a half years — is making good progress; I am also pleased that others have made reference to that. The programme has been well received by the Government of Timor-Leste. We will continue to stand alongside our neighbour to help bring opportunities and stability to the people of Timor-Leste, not least through our commitment of 100 military and 17 police personnel to the current United Nations Mission and through our significant development assistance, police and defence programmes.

There has been much discussion this morning about the maritime boundary negotiations between Australia and Timor-Leste. I should say very clearly that no country is more aware than mine of the significance of those negotiations. Our Foreign Minister, Mr. Downer, met with Ambassador Guterres's Foreign Minister, Mr. Ramos-Horta, as recently as 11 August to discuss that issue. I am pleased to report to the Council that those discussions made very significant progress and that Australia and East Timor are now much closer to an agreement on a framework for a settlement on permanent maritime boundaries. Both our countries are pursuing a creative approach that preserves the fundamental interests of both Australia and Timor-Leste. For our part, Australia believes in the strength of its legal position, and sovereignty is also a key issue. We look forward to working with Timor-Leste to resolve outstanding issues as soon as possible. In that context, I should report that the second round of negotiations is likely to be held next month, in September.

As members are aware, Australia has been a significant contributor to the international effort in support of our newest nation. As a neighbour and as a friend, we can be relied upon to continue that effort.

The President (*spoke in Russian*): I thank the representative of Australia for the kind words he addressed to me.

The next speaker inscribed on my list is the representative of the Netherlands. I invite him to take a seat at the Council table and to make his statement.

Mr. van den Berg (Netherlands): I have the honour to speak on behalf of the European Union. The candidate countries Bulgaria, Croatia, Romania and Turkey, the countries of the Stabilization and Association Process and potential candidates Albania, Bosnia and Herzegovina, Serbia and Montenegro and the former Yugoslav Republic of Macedonia and the European Free Trade Association countries Iceland, Liechtenstein and Norway, members of the European Economic Area, align themselves with this statement.

Since its recognition as an independent State, on 20 May 2002, Timor-Leste has faced several challenges that, to put it mildly, have not been easy. But the Government of the 191st State Member of the United Nations has had the courage and the determination to rise to those challenges, and several of them have been dealt with effectively. The European Union therefore commends the people of Timor-Leste for their tremendous achievements, which have given rise to upward social and economic development, increasingly

functioning institutions, a consolidating civil administration, a growing legal framework and several branches of security forces, which we hope will succeed in defining their roles and responsibilities and in adhering to a culture of transparency and accountability.

Moreover, the European Union congratulates the Governments of Timor-Leste and Indonesia for the record time in which they were able to agree on most of their common border. The European Union encourages both Governments to achieve sustainable cooperation on possible ways to address that sensitive issue, and we hope that an agreement beneficial to both parties will soon be signed.

The European Union is aware that all the achievements in Timor-Leste could not have been made at the current pace without the unwavering commitment and support of the United Nations. The European Union would like to reiterate its admiration for the men and women who have contributed to the success of the missions under the able leadership of former Special Representative Kamalesh Sharma and, currently, of Mr. Sukehiro Hasegawa. The European Union is confident that the United Nations will continue to have a pivotal role in strengthening the capacity-building of the Timorese and in the formulation of policy frameworks.

Despite the clear successes in most fields and the cautious advances in others, the European Union regrets to state that it still identifies an area of serious concern. Ending impunity and promoting a culture of accountability and transparency is one of the key tasks of post-independence Timor-Leste. The European Union has always supported all efforts to bring to justice the perpetrators of the serious crimes committed in the then-East Timor in 1999. Several efforts have been made, and, with a view to giving the processes the benefit of the doubt and a chance to observe international standards in the trials of suspected human rights abusers, the European Union has generally refrained from overly explicit public observations so far.

However, the European Union now considers the process towards justice and impunity to have gone awry. The serious-crimes process — although it is being conducted competently — has not resulted in bringing all perpetrators to justice, given that many of the indicted are still believed to be outside Timor-Leste. The European Union therefore calls on States Members of the United Nations to extend their full cooperation, as called for by the Secretary-General, to ensure that those responsible for serious crimes do not enjoy impunity. This issue is gaining urgency, as, in conformity with the current mandate of UNMISET, the Serious Crimes Unit will be terminated in May 2005.

The European Union has noted with concern the recent overturning of convictions by the Ad Hoc Human Rights Tribunal of Indonesia in Jakarta. The European Union expected the trials to be conducted according to international standards, to which the Government of Indonesia is itself deeply committed. We hope that the Indonesian Government will do its utmost to ascertain the credibility of the judicial process. In that regard, the European Union intends to support any future action in that regard by all concerned, including the Secretary-General.

The President (*spoke in Russian*): The next speaker inscribed on my list is the representative of Japan. I invite him to take a seat at the Council table and to make his statement.

Mr. Haraguchi (Japan): Thank you, Mr. President, for convening this public meeting concerning the situation in Timor-Leste. I also wish to offer my thanks to Assistant Secretary-General Mr. Annabi for his comprehensive briefing.

At the last open meeting on this issue, I expressed Japan's view that if Timor-Leste is to be considered a genuine peacekeeping operation success story, the United Nations Mission of Support in East Timor (UNMISET) must complete its activities and achieve its goals within this final one-year period. It is thus essential to conclude during this period the transition from the phase of peacekeeping operations for resolution of the conflict to the next phase of development activities conducted through bilateral channels and the relevant international institutions.

From that point of view, my Government appreciates the progress described in the Secretary-General's report (S/2004/669). Timor-Leste has made further steady advances in the area of administration and the justice sector, while in the security sector, law enforcement agencies and the armed forces have continued to develop and mature. It is crucial that Timor-Leste maintain its momentum towards achieving sustainable independence, and Japan will continue to offer its utmost support for that purpose.

We are, at the same time, concerned by the observation contained in the report that work on the delineation of the land border between Timor-Leste and Indonesia is not proceeding expeditiously. Japan expects that both countries will continue to make their best effort to resolve that matter.

The veterans' demonstration in Dili in July and the political dialogue held last Saturday between Government leaders and representatives of several groups of ex-combatants, veterans and bereaved orphans and widows underscored the importance of the reintegration of those groups into society at large. For that reason, the Recovery, Employment and Stability Programme for Ex-Combatants and Communities in Timor-Leste, administered by the United Nations Development Programme, to which Japan has contributed substantially, should be given highest priority. We also call for the support of the Member States in similar activities.

Japan has been playing a major role in the building of a sustainable Timor-Leste. My Government has pledged and has been steadily implementing assistance of up to $60 million over the first three years following independence, with the focus on peace-building and on reconstruction in the three key areas of agriculture, infrastructure and human resources development. We have already invested $57 million in infrastructure projects such as roads, electricity and water supply in the Dili district. The engineer group and headquarters personnel of our Self-Defence Forces recently completed its tasks and returned to Japan. At the same time, at the request of the Government of Timor-Leste, Japan handed over the equipment of the engineer group, including various types of vehicles which can be utilized for road building, to the Government of Timor-Leste in the hope that it would help to meet the needs on the ground.

My Government is also making efforts, through the dispatch of what are called civil power groups, composed of engineer group veterans and non-military engineering specialists, to transfer technology by educating Timor-Leste Government staff in the operation, maintenance and management of the donated equipment and material. We believe such support will not only offer a new challenge for Japan's international peace cooperation but also help improve the life of the people, which constitutes the basis of the nation-building now under way in Timor-Leste.

Finally, I wish to underscore once again how important this final one-year period will be for Timor-Leste. The Government of Japan is convinced that, through the efforts of UNMISET and the people of Timor-Leste and with the guidance of their wise leaders, stability and the foundations for development in Timor-Leste will be strengthened and the United Nations peacekeeping operation will successfully complete its mission.

The President (*spoke in Russian*): The next speaker is the representative of Portugal. I invite him to take a seat at the Council table and to make his statement.

Mr. Macieira (Portugal): Mr. President, I would like to thank you for convening this meeting and thank the Secretary-General for his latest report on the situation in Timor-Leste (S/2004/669), as well as Special Representative Hasegawa and his staff for the excellent work they have done so far, as well as Assistant Secretary-General Annabi for his briefing.

Portugal wholly subscribes to the statement made by the representative of the Netherlands on behalf of the European Union. I will only add a few comments of our own.

The Secretary-General's report sets out clearly that Timor-Leste has made significant advances towards self-sufficiency. It has adopted additional legislation and has successfully assumed the responsibility for its internal and external security, while its public administration, law enforcement agencies and armed forces have all continued to develop.

It is clear, however, that work remains to be done, particularly in terms of security, as the recent confrontations between martial arts groups show. Those events highlight the serious socio-economic challenges that Timor-Leste still faces today, in particular the disfranchisement of its youth, unemployment and poverty.

Equally important to the sustainable and viable development of Timor-Leste is the completion of the border negotiations with both its neighbours, Australia and Indonesia. In the latter case, there have been recent positive developments concerning the delimitation of the common land border, to which the commitment of the leadership of both countries has been crucial. In

that respect, we would like to encourage both countries to resolve expeditiously the remaining issues.

Encouraging negotiations are also under way with Australia concerning the maritime borders. In that respect, I would like to recall what Ms. Ana Pessoa Pinto, Minister in the Presidency of the Council of Ministers of Timor-Leste, said in the Council's meeting last May,

> "The position of my Government on this is simple and clear: we are entitled to a just and fair maritime boundary with our two neighbours, Australia and Indonesia; and we are guided by principles of international law and practice." (*S/PV.4965, p. 21*)

My final remarks relate to the responsibility of the international community and the Security Council in relation to Timor-Leste in the context of ending impunity and promoting accountability and transparency.

In September 1999, the people of Timor-Leste unreservedly trusted the United Nations. We are all aware of what happened. A premeditated campaign of terror forced tens of thousands of people to flee to the mountains, and others were herded and forced to leave the country. People were slaughtered, property looted and more than 80 per cent of the country's infrastructure was destroyed.

In that context, the Government of Indonesia gave assurances that those responsible for those gross violations of human rights and international law would be brought to justice. The international community relied on that commitment.

Portugal would like to recall the commitment of the Government of Indonesia, in the context of respect for international standards of justice and fairness, to bring to justice those responsible for violations of human rights and humanitarian law in Timor-Leste. However, the verdicts did not result in a substantiated account of the human rights violations that took place in Timor-Leste.

Moreover, deeply disappointing were the recent overturning on appeal of the convictions of the four military and police officers originally convicted on charges of committing atrocities in Timor-Leste, and in particular the latest decisions, by which, of 18 defendants, only two, who are civilians and of East Timorese origin, are serving jail terms.

We would like to underline the importance we attach to accountability and respect for human rights. In that regard, Portugal is following with great attention the efforts of the Secretary-General and the international community in the search for a viable conclusion to the work of the structures put in place to investigate the human rights violations that occurred in Timor-Leste.

We support Timor-Leste as an independent nation at peace with itself and its neighbours and fully integrated into its region. As in the past, Portugal will remain committed and ready to contribute to the consolidation and development of Timor-Leste and to the United Nations efforts to that effect.

The President (*spoke in Russian*): The next speaker on my list is the representative of New Zealand. I invite him to take a seat at the Council table and to make his statement.

Mr. Mackay (New Zealand): I should like at the outset to thank the Secretary-General for the preparation of this interim report. As foreshadowed in April, the United Nations Mission of Support in East Timor (UNMISET) has entered a final consolidation phase. A three-month stock-taking of progress in key mandated tasks is a useful way to determine what areas require particular attention, as the Council prepares for what we expect will be the final mandate renewal in November.

We see many positive developments across civilian institutions. Good progress has been made on delineation of the land border between Timor-Leste and Indonesia, with a final agreement expected in the coming weeks. Key justice and human rights legislation has been passed and preparations are on track for parliamentary elections in 2006. We congratulate the Government of Timor-Leste for its determination in addressing the significant challenges it faces as a small emerging nation with limited resources and capacity.

With respect to the security sector, we agree that there remain some critical challenges in building the capacity of Timor-Leste's security infrastructure, particularly in the area of rapid intervention. We look forward to advice on further progress on police and security sector training in the next report.

We continue to strongly support the work of the Serious Crimes Unit and Special Panels as essential

components of an internationally supported process to see justice served for crimes committed in East Timor in 1999. We are encouraged by the advice that the Serious Crimes Unit has prepared a strategy to complete its work, according to the timetable set by the Security Council in resolution 1543 (2004). Bilaterally, we have also given strong support to the work of Timor-Leste's Commission on Reception, Truth and Reconciliation, which complements the work of the Serious Crimes Unit in respect of lesser crimes.

New Zealand has consistently said that those responsible for the crimes committed in Timor-Leste in 1999 must be brought to justice in a manner consistent with the standards of international law. We are deeply concerned that the ad hoc processes established for this purpose appear to have failed. We do not consider it acceptable for the international community to tolerate an environment of impunity. If domestic processes are not able to ensure justice, we see a role for the United Nations and the Security Council in ensuring that accountability is established and justice is seen to be done.

We are encouraged by the engagement of United Nations agencies, funds and programmes in a wide spectrum of activities in Timor-Leste. The transition from a peacekeeping presence to a standard developmental presence for the United Nations is a critical part of the consolidation phase of this mission, and we see it as very appropriate for these issues to be addressed in a peacekeeping mission progress report. We encourage the United Nations to look at opportunities for sharing its assessment of key remaining tasks with donors. We consider that information about what the United Nations assesses as critical to support Timor-Leste, as it adjusts to the planned departure of a peacekeeping presence next year, could make a useful contribution to other Governments' bilateral development assistance processes.

The President (*spoke in Russian*): The next speaker is the representative of Malaysia. I invite him to take a seat at the Council table and to make his statement.

Mr. Rastam (Malaysia): Mr. President, I offer my sincere congratulations to you on your assumption of the presidency of the Security Council for this month and to the distinguished Permanent Representative of Romania for his stewardship of the Council last month.

My delegation is pleased to address the Security Council on the situation in Timor-Leste three months after the adoption of Security Council resolution 1543 (2004). We express our sincere appreciation to the Secretary-General for his progress report (S/2004/669) on the activities of the United Nations Mission of Support in East Timor (UNMISET), and to the Assistant Secretary-General, Mr. Hédi Annabi, for his clear and comprehensive presentation of his report and briefing this morning. We commend the Special Representative of the Secretary-General, Mr. Sukehiro Hasegawa, the former Special Representative, Mr. Kamalesh Sharma, and members of the civilian, military and police components of UNMISET for their dedication and invaluable contribution to the process of nation-building in Timor-Leste.

I am pleased to note that the activities carried out by the United Nations and, in particular, the contributions made by UNMISET have continued to provide a window of opportunity for progress in Timor-Leste. The United Nations has played an important role in providing security and facilitating the country's emergence from conflict. It has helped to nurture the development of political, economic, social, legal and judicial institutions. We note in particular the support given for the public administration and justice system and for justice in the area of serious crimes, the support to the development of law enforcement and the support for the security and stability of Timor-Leste.

The Secretary-General has reported that progress achieved thus far has permitted a downsizing in the international presence on the ground. In this regard, it is encouraging for my delegation to note that the Government of Timor-Leste has taken several important steps towards reaching self-sufficiency and that it has formally assumed responsibility for internal and external security as of 20 May 2004. At the same time, we note the Secretary-General's point that "pending sufficient national income generation, the development of sustainable national institutions will continue to be dependant on international assistance" *(S/2004/669, para. 2)*. This is indeed an important point for the international community, including the Security Council, to note. Malaysia will do its utmost within its capacity to contribute towards assisting the laudable efforts of the Government and people of Timor-Leste to achieve further progress.

We are encouraged by the adoption of important legislation to establish the legal and institutional frameworks as well as the continued efforts in promoting a culture of free political dialogue and resolution of bilateral issues. These advances could not have been achieved without the full commitment, determination and strong resolve of the country's leadership and the support of the people of Timor-Leste in general.

It is encouraging to note that the next round of negotiations between Timor-Leste and Australia on the sharing of petroleum and natural gas resources in the region will be held next month, in September. We wish for success in those negotiations so that they may provide the people of Timor-Leste with the opportunity to enhance the effectiveness of State institutions, sustain stability and help improve socio-economic conditions. In this regard, my delegation hopes that both parties would redouble their efforts so as to come to an early and mutually beneficial conclusion on this issue.

My delegation is also encouraged by the continued effort by both Timor-Leste and Indonesia to delineate the land border between them. We hope that the discussions and contacts between the two countries will lead to a final agreement on their land border and better management of the border area in order to further enhance bilateral relations and cooperation between the two neighbouring countries. We also note the statements made by the Permanent Representative of Timor-Leste and the Permanent Representative of Indonesia on other efforts that have been carried out between the two countries to continue to improve bilateral relations, and we support these.

The Secretary-General has reported to the Council his assessment of the progress achieved by UNMISET and the challenges faced by the United Nations in Timor-Leste. We note the observation made by the Secretary-General that much remains to be accomplished during the remaining months of UNMISET's mandate. It is clear that continued international assistance is required and that, as the Secretary General has pointed out in his report,

> "Complementary bilateral efforts to strengthen Timorese public administration, law enforcement agencies and armed forces are essential for Timorese counterparts to achieve the necessary capability in an orderly and sustainable manner". (*Ibid., para. 46*)

In ensuring effective implementation of the laws promulgated for the establishment of the national security institutions, for instance, it is noted that there is still a significant requirement for financial and human resources. It is thus essential for the international community to allow sufficient time for the Timorese to acquire the necessary skills and experience, especially in the core functions in which local expertise is still lacking. Malaysia has provided some training in human resources development in a number of areas. We stand ready to further cooperate with the Government of Timor-Leste.

As a neighbouring country, Malaysia reiterates its commitment to the nation-building process and to the development of Timor-Leste. We have offered assistance bilaterally and will continue to explore new areas of assistance with the Government of Timor-Leste. We continue to fully support the activities of the United Nations in Timor-Leste, as well as the efforts of the Government and the people of that country.

The President (*spoke in Russian*): I thank the representative of Malaysia for his kind words addressed to me.

I now give the floor to Mr. Annabi to respond to comments and questions.

Mr. Annabi: There was only one specific question, from the representative of France. I will therefore be very brief.

Of course, we are all fully aware of the implications of the decision by the Indonesian Appeals Court to overturn the convictions of Indonesian military and police officials who had been convicted of serious crimes committed in Timor-Leste in 1999. In that regard, the position of the Secretary-General is clear. He has stressed repeatedly the need to ensure that those responsible for serious crimes are brought to justice and that there should be no impunity for the perpetrators.

The Secretary-General has asked the United Nations High Commissioner for Human Rights to prepare a comprehensive report on the progress to date in the serious crimes process, both in Indonesia and in Timor-Leste. We expect that report to be completed by the end of September or in early October. We shall then be in a better position to consider, on the basis of the

report and in consultation with the Security Council, what actions could be taken to ensure that the serious crimes process moves forward and that impunity does not prevail.

The President (*spoke in Russian*): I thank Mr. Annabi for his clarifications.

There are no further speakers remaining on my list. The Security Council has thus concluded the present stage of its consideration of the item on its agenda.

The meeting rose at 12.45 p.m.